

## FIRST DIVISION

[ G.R. No. 177190, February 23, 2011 ]

**LAND BANK OF THE PHILIPPINES, PETITIONER, VS. HON. ERNESTO P. PAGAYATAN, IN HIS CAPACITY AS PRESIDING JUDGE OF THE REGIONAL TRIAL COURT, BRANCH 46, SAN JOSE, OCCIDENTAL MINDORO; AND JOSEFINA S. LUBRICA, IN HER CAPACITY AS ASSIGNEE OF FEDERICO SUNTAY, RESPONDENTS.**

### D E C I S I O N

**VELASCO JR., J.:**

#### **The Case**

This Petition for Review on Certiorari under Rule 45 seeks to annul the August 17, 2006 Decision<sup>[1]</sup> and March 27, 2007 Resolution<sup>[2]</sup> of the Court of Appeals (CA) in CA-G.R. SP No. 93206, which affirmed the Order dated March 4, 2005<sup>[3]</sup> of the Regional Trial Court (RTC), Branch 46 in San Jose, Occidental Mindoro, in Agrarian Case No. 1390 for the fixing of just compensation, entitled *Land Bank of the Philippines v. Josefina S. Lubrica, in her capacity as assignee of Federico Suntay, and Hon. Teodoro A. Cidro, as Provincial Agrarian Reform Adjudicator of San Jose, Occidental Mindoro*. The RTC Order affirmed the Decision dated March 21, 2003<sup>[4]</sup> of the Provincial Agrarian Reform Adjudicator (PARAD) of San Jose, Occidental Mindoro in Case No. DCN-0405-0022-02, entitled *Josefina S. Lubrica, in her capacity as Assignee of Federico Suntay v. Hon. Hernani A. Braganza, in his capacity as Secretary of the Department of Agrarian Reform, and Land Bank of the Philippines*.

#### **The Facts**

On October 21, 1972, the 3,682.0286-hectare Suntay Estate, consisting of irrigated/unirrigated rice and corn lands covered by Transfer Certificate of Title No. T-31(1326) located in the *Barangays* of Gen. Emilio Aguinaldo, Sta. Lucia, and San Nicolas in Sablayan, Occidental Mindoro, was subjected to the operation of Presidential Decree No. 27, under its Operation Land Transfer (OLT), with the farmer-beneficiaries declared as owners of the property. However, a 300-hectare portion of the land was subjected to the Comprehensive Agrarian Reform Program (CARP) instead of the OLT. Thus, Certificates of Landownership Award were issued to the farmer-beneficiaries in possession of the land.<sup>[5]</sup> Such application of the CARP to the 300-hectare land was later the subject of a case before the Department of Agrarian Reform Adjudicatory Board (DARAB), which ruled that the subject land should have been the subject of OLT instead of CARP. The landowner admitted before the PARAD that said case was pending with this Court and docketed as G.R. No. 108920, entitled *Federico Suntay v. Court of Appeals*.

Meanwhile, the owner of the land remained unpaid for the property. Thus, Josefina S. Lubrica, in her capacity as assignee of the owner of the property, Federico

Suntay, filed a Petition for Summary Determination of Just Compensation with the PARAD, docketed as Case No. DCN-0405-0022-2002. Thereafter, the PARAD issued its Decision dated March 21, 2003, the dispositive portion of which reads:

WHEREFORE, judgment is hereby rendered:

1. Fixing the preliminary just compensation for 431.1407 hectare property at P166,150.00 per hectare or a total of P71,634,027.30.
2. Directing the Land Bank of the Philippines to immediately pay the aforestated amount to the Petitioner;
3. Directing the DAR to immediately comply with all applicable requirements so that the subject property may be formally distributed and turned over to the farmer beneficiaries thereof, in accordance with the Decision of the DARAB Central in DARAB Case No. 2846.

No cost.

SO ORDERED.<sup>[6]</sup>

Petitioner Land Bank of the Philippines (LBP) filed a Motion for Reconsideration dated April 10, 2003 of the above decision, but the PARAD denied the motion in an Order dated December 15, 2003.<sup>[7]</sup>

The LBP then filed a Petition dated March 4, 2004 with the RTC docketed as Agrarian Case No. 1390, appealing the PARAD Decision. In the Petition, the LBP argued that because G.R. No. 108920 was pending with this Court in relation to the 300-hectare land subject of the instant case, the Petition for Summary Determination of Just Compensation filed before the PARAD was premature. The LBP argued further that the PARAD could only make an award of up to PhP 5 million only. The PARAD, therefore, could not award an amount of PhP 71,634,027.30. The LBP also contended that it could not satisfy the demand for payment of Lubrica, considering that the documents necessary for it to undertake a preliminary valuation of the property were still with the Department of Agrarian Reform (DAR).

By way of answer, Lubrica filed a Motion to Deposit the Preliminary Valuation under Section 16(e) of Republic Act No. (RA) 6657 and *Ad Cautelam* Answer dated June 18, 2004.<sup>[8]</sup> In the said motion, Lubrica claimed that since the DAR already took possession of the disputed property, the LBP is duty-bound to deposit the compensation determined by the PARAD in a bank accessible to the landowner.

In an Order dated March 4, 2005, the RTC resolved Lubrica's motion, as follows:

The foregoing considered and as prayed for by the respondent-movant The Land Compensation Department, Land Bank of the Philippines, is hereby directed to deposit the preliminary compensation as determined

by the PARAD, in case and bonds in the total amount of Php 71,634,027.30, with the Land Bank of the Philippines, Manila, within seven (7) days from receipt of this order, and to notify this Court of compliance within such period.<sup>[9]</sup>

Thus, the LBP filed an Omnibus Motion dated March 17, 2005 praying for the reconsideration of the above order, the admission of an amended petition impleading the DAR, and the issuance of summons to the new defendants. In the Omnibus Motion, the LBP contended:

In this AMENDED PETITION, Land Bank impleaded the DAR as respondent because DAR is the lead agency of the government in the implementation of the agrarian reform. It is the one which is responsible in identifying the lands to be covered by agrarian reform program, placing/identifying the farmer beneficiaries, parcellary mapping of the land, and determining the land value covered by PD 27/EO 228. The documents DAR prepares is placed in a folder called "claim folder" which it forwards to Land Bank for processing and payment.

21. At present there is no claim folder prepared and submitted by DAR to Land Bank, and therefore Land Bank has no claim folder to process and no basis to pay the landowner.<sup>[10]</sup>

In an Order dated December 8, 2005,<sup>[11]</sup> the RTC denied the Omnibus Motion finding no reversible error in its Order dated March 4, 2005 and denying the motion to amend the petition for being unnecessary towards land valuation.

Thus, the LBP appealed the RTC Orders dated March 4, 2005 and December 8, 2005 to the CA through a Petition for Certiorari dated February 13, 2006. The LBP argued that without the claim folder from the DAR, it could not preliminarily determine the valuation of the covered lands and process the compensation claims. Moreover, it said that the amount to be deposited under Sec. 16 of RA 6657, or the *Agrarian Reform Law of 1988*, is the offered purchase price of DAR for the land contained in the notice of acquisition and not the price determined in an administrative proceeding before the PARAD.

Afterwards, on August 17, 2006, the CA issued the assailed decision, the dispositive portion of which reads:

WHEREFORE, premises considered, the petition is hereby DENIED DUE COURSE, and subsequently DISMISSED for lack of merit.

SO ORDERED.<sup>[12]</sup>

The LBP moved for reconsideration of the CA Decision, but the CA did not reconsider it, as stated in its Resolution dated March 27, 2007.

Hence, the LBP filed this petition.

### **The Issue**

What is the proper amount to be deposited under Section 16 of Republic Act No. 6657? Is it the PARAD/DARAB determined valuation or the preliminary valuation as determined by the DAR/LBP?<sup>[13]</sup>

### **The Ruling of the Court**

The petition is meritorious.

Private respondent Lubrica argues that, under the doctrines of *res judicata* and *stare decisis*, the instant case must be dismissed in light of the decision of this Court in *Lubrica v. Land Bank of the Philippines*,<sup>[14]</sup> the dispositive portion of which reads:

WHEREFORE, premises considered, the petition is GRANTED. The assailed Amended Decision dated October 27, 2005 of the Court of Appeals in CA-G.R. SP No. 77530 is REVERSED and SET ASIDE. The Decision dated May 26, 2004 of the Court of Appeals affirming **(a) the March 31, 2003 Order of the Special Agrarian Court ordering the respondent Land Bank of the Philippines to deposit the just compensation provisionally determined by the PARAD;** (b) the May 26, 2003 Resolution denying respondent's Motion for Reconsideration; and (c) the May 27, 2003 Order directing Teresita V. Tengco, respondent's Land Compensation Department Manager to comply with the March 31, 2003 Order, is REINSTATED. The Regional Trial Court of San Jose, Occidental Mindoro, Branch 46, acting as Special Agrarian Court is ORDERED to proceed with dispatch in the trial of Agrarian Case Nos. R-1339 and R-1340, and to compute the final valuation of the subject properties based on the aforementioned formula.

SO ORDERED. (Emphasis supplied.)

The principles of *res judicata* and *stare decisis* do not apply to the case at bar.

In *Lanuza v. Court of Appeals*,<sup>[15]</sup> the Court discussed the principle of *res judicata*, to wit:

Res judicata means a matter adjudged, a thing judicially acted upon or decided; a thing or matter settled by judgment. The doctrine of res judicata provides that a final judgment, on the merits rendered by a court of competent jurisdiction is conclusive as to the rights of the parties and their privies and constitutes an absolute bar to subsequent actions involving the same claim, demand, or cause of action. The elements of res judicata are (a) identity of parties or at least such as representing the same interest in both actions; **(b) identity of rights asserted and relief prayed for, the relief being founded on the same facts;** and

(c) the identity in the two (2) particulars is such that any judgment which may be rendered in the other action will, regardless of which party is successful, amount to *res judicata* in the action under consideration. (Emphasis supplied.)

In *Lubrica*, the issue was as follows:

Petitioners insist that the determination of just compensation should be based on the value of the expropriated properties at the time of payment. Respondent LBP, on the other hand, claims that the value of the realties should be computed as of October 21, 1972 when P.D. No. 27 took effect.<sup>[16]</sup>

While the Court directed that the valuation made by the PARAD be the amount to be deposited in favor of the landowner, it was done only because the PARAD's valuation was based on the time the payment was made.

The issue before Us is whether the RTC acted properly in ordering the deposit or payment to the landowner of the preliminary valuation of the land made by the PARAD. This is considering that Sec. 16(e) of RA 6657 clearly requires the **initial valuation** made by the DAR and LBP be deposited or paid to the landowner before taking possession of the latter's property, not the preliminary valuation made by the PARAD.

Evidently, the second element of *res judicata* is not present. The relief prayed for in *Lubrica* is that the amount for deposit in favor of the landowner be determined on the basis of the time of payment and not of the time of taking. But here, the prayer of the LBP is for the deposit of the valuation of the LBP and DAR and not that of the PARAD. These are two distinct and separate issues. *Res judicata*, therefore, cannot apply.

We cannot apply the principle of *stare decisis* to the instant case, too. The Court explained the principle in *Ting v. Velez-Ting*:<sup>[17]</sup>

The principle of *stare decisis* enjoins adherence by lower courts to doctrinal rules established by this Court in its final decisions. It is based on the principle that once a question of law has been examined and decided, it should be deemed settled and closed to further argument. **Basically, it is a bar to any attempt to relitigate the same issues**, necessary for two simple reasons: economy and stability. In our jurisdiction, the principle is entrenched in Article 8 of the Civil Code. (Emphasis supplied.)

To reiterate, *Lubrica* and the instant case have different issues. Hence, *stare decisis* is also inapplicable here.

The LBP posits that under Sec. 16(e) of RA 6657, and as espoused in *Land Bank of the Philippines v. Court of Appeals*,<sup>[18]</sup> it is the purchase price offered by the DAR in